

RESOLUTION NO. 2021-14

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF LA FERIA, TEXAS (“CITY”), APPROVING (I) THE RESOLUTION OF THE BOARD OF DIRECTORS OF LA FERIA INDUSTRIAL DEVELOPMENT CORPORATION (“CORPORATION”) REGARDING A LOAN IN THE AMOUNT OF \$2,531,250.00; (II) A SALES TAX REMITTANCE AGREEMENT BETWEEN THE CITY AND THE CORPORATION; (III) RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE LOAN; AND (IV) THE AUTHORITY OF THE MAYOR TO EXECUTE, ON BEHALF OF THE CITY, A GENERAL CERTIFICATE OF THE CITY AND THE SALES TAX REMITTANCE AGREEMENT.

WHEREAS, the La Feria Industrial Development Corporation (the “*Corporation*”) has been duly created and organized pursuant to the provisions of Chapter 504, Local Government Code, as amended (formerly Section 4A of the Development Corporation Act of 1979, Article 5190.6, Texas Revised Civil Statutes Annotated, as amended) (the “*Act*”) by the City of La Feria, Texas (the “*City*”); and

WHEREAS, the Corporation’s Board of Directors (the “*Board*”) has determined that it is advisable to undertake certain expenditures to complete improvements to certain streets and roads, water and sewer utilities, drainage, site improvements, and related improvements (the “*Project*”) in the City and the Board further found that undertaking the Project will promote and develop new and expanded business enterprises in the City

WHEREAS, pursuant to the Act, the Corporation is empowered to borrow money for the purpose of financing the cost of any “*project*” defined as such by the Act; and

WHEREAS, the Board of Directors of the Corporation adopted a resolution on August 5, 2021 (the “*Series 2021 Note Resolution*”) approving a loan of the Corporation to finance the costs of the Project under the terms and conditions set forth in that certain Loan Agreement, to be dated August 25, 2021, (as amended, restated, supplemented and/or otherwise modified, the “*Loan Agreement*”) between the Corporation and Government Capital Corporation (the “*Lender*”) and evidenced by a promissory note of even date with the Loan Agreement payable by the Corporation to the Lender in the original principal amount of \$2,531,250 (the “*Series 2021 Note*”); and

WHEREAS, the Corporation proposes to enter into a Sales Tax Remittance Agreement, dated as of August 25, 2021, (as amended, restated, supplemented and/or otherwise modified, the “*Sales Tax Remittance Agreement*”) with the City; pursuant to which, among other things, the Corporation will pledge its sales tax revenues to the Lender to secure repayment of the Loan;

WHEREAS, the Act requires the City Commission approve the Series 2021 Note Resolution no more than sixty (60) days prior to the issuance of the Series 2021 Note.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF LA FERIA, TEXAS:

Section 1. The Series 2021 Note Resolution adopted by the Corporation's Board of Directors on August 5, 2021, and submitted to the City Commission this day, is hereby approved in all respects. The Series 2021 Note is being issued to finance the costs of the Project and to pay the Costs of Issuance (as defined in the Loan Agreement).

Section 2. The approvals herein given are in accordance with the Act, and the Series 2021 Note shall never be construed an indebtedness or pledge of the City, or the State of Texas (the "State"), within the meaning of any constitutional or statutory provision, and the owner of the Series 2021 Note shall never be paid in whole or in part out of any funds raised or to be raised by taxation (other than sales tax proceeds as authorized pursuant to Chapter 504 of the Act) or any other revenues of the Corporation, the City, or the State, except those revenues assigned and pledged by the Loan Agreement and the Sales Tax Remittance Agreement.

Section 3. The City hereby agrees to promptly collect and remit to the Corporation the Economic Development Sales and Use Tax (defined in the Loan Agreement) to provide for the prompt payment of the Series 2021 Note, and to assist and cooperate with the Corporation in the enforcement and collection of sales and use taxes imposed on behalf of the Corporation.

Section 4. The Sales Tax Remittance Agreement attached hereto as Exhibit A is incorporated by reference as a part of this Resolution for all purposes, with respect to the obligations of the City and Corporation during the time the Series 2021 Note is outstanding, is hereby reapproved as to form and substance. Furthermore, the Mayor and the City Secretary and the other officers of the City are hereby authorized, jointly and severally, to execute and deliver such endorsements, instruments, certificates, including a general certificate, documents, or papers necessary and advisable to carry out the intent and purposes of this Resolution.


Section 5. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by V.T.C.A. Government Code, Chapter 551, as amended.

Section 7. This Resolution shall be in force and effect from and after its passage on the date shown below.


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PASSED AND ADOPTED, this 10th day of August, 2021.

CITY OF LA FERIA, TEXAS

By: 
Olga Maldonado, Mayor

ATTEST:

By: 
Amanda Morales, City Secretary